GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4072
ANSWERED ON:18.08.2000
RETAINING OF FOREIGN EXCHANGE BY SEZS
AJAY CHAKRABORTY;ANANTRAO GUDHE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have recommended to the RBI that units located in Special Economic Zones (SEZs) be permitted to retain their entire foreign exchange earnings and allow them to make payments to each other in foreign exchange;

(b) if so, the details thereof; and

(c) the justification for making such recommendation?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (c): A suggestion has been made to the Reserve Bank of India to permit units located in Special Economic Zones (SEZs) to retain 100% of their export earnings in their EEFC Account for meeting their foreign exchange requirements.This has been suggested to RBI with a view to improve the operations of SEZ units and to minimize conversion losses.